

TITLE IV

FISCAL MANAGEMENT

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CHAPTER 1. INVESTMENT**Section 4-1-1. Authorization and purpose.**

The Pueblo Council hereby authorizes the development of an investment plan for each fund established by the Council that, within constitutional authority and the limitations granted by this chapter, shall provide maximum flexibility to the Pueblo's Investment Committee to recommend to the Council: (1) the selection of depository institutions such as banks, trust companies, or other custodians and the like, in which Pueblo monies may be deposited or held; (2) the selection of investment advisors, brokers and brokers of record and account or money managers; and (3) the investment objectives to obtain reasonable rates of return, interest and investment income while retaining reasonable fluidity in the investment portfolio so as to meet growth as well as current disbursement needs for each of the funds.

Section 4-1-2. Role of Treasurer.

The Pueblo Treasurer shall be responsible for accounting for all Pueblo funds and the Treasurer shall be the primary Pueblo official responsible for coordinating the duties of the investment committee. The Treasurer shall have access to all investment committee information at all times and shall receive copies of all investment reports. The Treasurer shall be responsible for investment, accounting and audit of all Pueblo monies not included in an approved investment plan.

Section 4-1-3. Investment committee.

A. *Establishment of the investment committee.* The Council hereby establishes a Pueblo Investment Committee ("investment committee") consisting of the Governor, the Treasurer, one (1) Council member selected by the Council, and three (3) members-at-large selected by the Council. The members at-large shall serve at the discretion of the Council with terms of two (2) years. Except for the Governor and Treasurer, the members may be removed or replaced at the discretion of the Council at any time with or without cause.

B. *Terms of appointment and qualifications.* The Governor, Treasurer and Council members' terms will coincide with their terms on the Council and the Council members may be removed at the discretion of the Council at any time, with or without cause. It is advisable that the three (3) at-large members should be experienced in matters pertaining to investments and securities management. It is not necessary that any at-large member be a Laguna member, rather it is the intent that this member add value to the investment process.

C. *Vacancies.* Upon the creation of a vacancy on the investment committee, the Council shall appoint a replacement member within thirty (30) days to serve the remainder of the previous member's term. The status of the proposed replacement must comport with the composition requirements of the investment committee created in subsection 4-1-3A.

D. *Procedures and per diem.* The investment committee is authorized to adopt internal operating procedures necessary for coordinating the duties of the investment committee. Copies of the procedures adopted shall be provided to the Governor, Treasurer, Secretary and

Council. The committee shall be allowed a stipend and per diem for meetings, training, travel, and all other legitimate business of the investment committee. The investment committee shall designate applicable rates of stipends and reimbursement, subject to the approval of the Council.

E. *Support staff.* The Council designates the staff of the Office of the Treasurer to assist the investment committee in the preparation of materials, notifications of meetings, reproduction of materials and other legitimate office needs of the investment committee.

Section 4-1-4. Management of funds.

The Council hereby authorizes the investment committee to arrange for, negotiate and recommend to the Council for final approval contracts with professionals qualified in safekeeping, management and investment of accounts and monies in the Pueblo of Laguna funds to include, but not be limited to the following services: Investment advice, money management, brokerage, custodial, record keeping, reporting, accounting, audits and monitoring contracts.

Section 4-1-5. Management and duties of the investment committee.

The investment committee is authorized and directed to exercise such control as is necessary, incidental or desirable in carrying out the intent of the Pueblo's Statement of Investment Policy of 2007, or such amended policy in effect.

Section 4-1-6. Asset allocation.

The investment committee shall develop flexible, long-range asset allocation models for each fund subject to approval by resolution of the Council.

Section 4-1-7. Specific fund objectives.

The investment committee is authorized to develop specific objectives and plans of operation for each fund consistent with applicable federal and Pueblo law to address adherence to guidelines and policies by all entities and individuals. It shall be the investment committee's obligation to oversee the communications and strategy process between the Council and the investment advisor and various money managers in order to ensure that the investment strategy is being carried out. The investment committee's supervisory role will allow for flexible decision-making as long as those decisions are consistent with the Pueblo's Statement of Investment Policy.

Section 4-1-8. Authority to maintain investment programs.

The Council authorizes the investment committee to make timely decisions on investments, and to oversee and maintain a prudent, well-managed investment program for the funds of the Pueblo in accordance with the approved investment plan for each fund.

Section 4-1-9. Reports.

The investment committee shall:

- A. Require the investment advisor to evaluate the performance of each money manager or mutual fund, at least quarterly.
- B. Review the results of the investment advisor's evaluation at least quarterly and meet with the money managers, mutual fund managers, depositories, brokers and other professionals as is necessary.
- C. Report to the Council on a semi-annual basis regarding:
 - (1) The investment advisors', money managers', mutual fund and custodians' performance and adherence to investment guidelines and policies;
 - (2) Comparison of net total return against the investment objectives and appropriate market indices and industry standards;
 - (3) Opportunities available in the equity, fixed income and mutual fund markets;
 - (4) Material changes in the investment advisors, money managers, mutual fund and depository organizations or personnel that may affect the Pueblo's investments;
 - (5) Other material facts regarding the funds investment performance and management.

CHAPTER 2. BUDGET**Section 4-2-1. Introduction.**

A major objective of any entity is to establish an annual or monthly budget in order to properly manage, control and monitor expenditures to assure efficient usage of budgeted funds. The Council establishes this chapter in order to achieve this objective.

Section 4-2-2. Mission statement.

To establish and provide a system for effective and efficient management of Pueblo of Laguna funds through active monitoring and periodic reporting to the Council.

Section 4-2-3. Budget committee.

To carry out the purpose of this chapter, the Council hereby establishes a budget committee. The Council shall by resolution annually determine the membership of the committee.

Section 4-2-4. Budget process overview.

The following guidelines will be used by the Treasurer and budget committee in preparation of the annual (fiscal year) budget.

- A. The interest income generated from the Pueblo of Laguna (POL) Operating Account Investments, Possessory Tax Revenue, and all other known sources of revenue may be utilized for the POL Operations Budget. Under no circumstances shall investment principal be utilized for the Pueblo budget unless by Council approval.

- B. The Treasurer shall estimate interest income and all known sources of revenue for the upcoming fiscal year (January 1 through December 31). The Treasurer will recommend appropriate ceilings for the operating and capital purchase/special project budgets to the budget committee followed by a review and final approval from the Council.
- C. Upon approval of operating and capital purchase/special project ceilings, the budget review process may begin.
- D. The Treasurer shall distribute to each department, by not later than October 31, budget packages which include operations budget and capital purchase/special project forms along with instructions for preparing the yearly budget.
- E. Cost center heads will be responsible for preparation and presentation of Pueblo budgets to the appropriate division manager/chief of operations prior to presentation to the budget committee.
- F. The budget committee will be responsible for the following:
 - (1) Orientation/training on process;
 - (2) All tribal and federal programs will pool resources where possible;
 - (3) Review of budgets with department heads;
 - (4) Adjusting Pueblo budgets accordingly to meet operating budget ceiling;
 - (5) Presentation of budget summaries to Council for review and approval; and
 - (6) Initial approval of capital purchase/special project requests.
- G. The Council will be responsible for the following:
 - (1) Establish funding priorities;
 - (2) Review and final approval of the budget ceilings and program allowances;
 - (3) Review and final approval of each cost center budget;
 - (4) Review and final approval of operating budget total as reviewed and recommended by the budget committee;
 - (5) Review and final approval of capital purchase/special project requests; and
 - (6) Adoption of a continuing resolution when appropriate.
- H. Upon review and approval of all budgets, the Treasurer shall prepare a resolution stating the total approved operating budget for the given fiscal year. The resolution will require Council approval and will be kept as a permanent record.
- I. The Treasurer shall distribute approved budgets to departments.
- J. The Treasurer and/or budget committee shall present periodic status reports of all Pueblo budgets to the Council.

Section 4-2-5. Management and controls.*A. Budget restrictions.*

- (1) No budget transfer between cost centers, except as authorized by Council.
- (2) No budget modification allowed on salary and fringe benefit line items, except as authorized by Council.
- (3) Spending of funds will be limited to the line items for which they are budgeted, except as authorized by Council.
- (4) No expenditures without an approved budget.

B. Cost center managers' responsibilities. All cost center directors shall be held responsible for over-expenditures, i.e. expenditures beyond approved budgets. Violations of this budget directive may result in disciplinary action(s) without pay or dismissal depending upon severity of violation.

- (1) Purchases made outside of the procedures provided for in the administrative manual will not be allowed.
- (2) Budget reports and program progress reports may be reviewed quarterly by budget committee with a mid-year review by the Council. Special meetings for noncompliance issues will be requested as needed.

Section 4-2-6. Follow-up reporting.

In order to perform effective follow-up, the Treasurer and/or budget committee will report to the Council on a quarterly basis. The following reports will be presented for review and discussion:

- A. Monthly consolidated program cost statements;
- B. Mid-year review of all Pueblo budgets; and
- C. Ongoing recommendations to the Council, if necessary.

CHAPTER 3. PER CAPITA DISTRIBUTION OF FUNDS TO MINORS**Section 4-3-1. Statement of policy.**

It is the policy of the Council that the share of all Pueblo members who are minors under the age of sixteen (16) in and to any per capita distribution declared by the Council from and after the date of this chapter, should be managed, invested and disbursed in the same manner as the said minors share of the 1969 and 1971 Per Capita Distributions, in order that all such funds set aside to said minors be handled in a uniform and consistent manner.

Section 4-3-2. Minors' funds to be placed in trust.

It is hereby declared by the Council that at any time from and after April 18, 1972 that the Council shall declare a per distribution to members of the Pueblo of Laguna, the share of such capita distribution attributable to minor members of the Pueblo the age of sixteen (16) years shall be disbursed to the trustees under the Pueblo of Laguna Minors Trust, dated December 22, 1969, to be placed in trust to be managed, invested and disbursed in the same manner as all other funds in said trust as provided by the terms and provisions of said trust as the same shall apply from time to time.

CHAPTER 4. RESERVED

FISCAL MANAGEMENT

TITLE IV HISTORY

Title IV, Chapter 1, Investment, was enacted by Ordinance 200-97 on September 30, 1997.

Ordinance 200-97 reads as follows:

WHEREAS, the Constitution of the Pueblo of Laguna ("Pueblo"), Art. IV, Section 2(n), authorizes the Tribal Council of the Pueblo of Laguna ("Tribal Council") to appropriate funds of the Pueblo for any lawful purpose as authorized by the Constitution or the laws of the United States; and

WHEREAS, the Constitution at Art. IV, Section (k), further authorizes the Tribal Council to promote and protect the public health and welfare of the members of the Pueblo; and

WHEREAS, the Tribal Council adopted an Investment Policy for the Pueblo General Fund establishing and documenting investment objectives, philosophies, policies, guidelines, and goals of the Pueblo, and establishing the Investment Committee charged with the carrying out of the Pueblo's investment strategy; and

WHEREAS, the Investment Committee has formulated as Investment Plan for the Pueblo's General Fund utilizing an asset allocation objective to develop a flexible, long-range asset allocation model that is designed to provide sufficient income to fund Tribal needs, as well as long term growth for future needs.

WHEREAS, the Investment Committee has recommended that procedures for establishment, amendment and authority for execution of investment policies and plans be broadened to include all Pueblo funds and be made permanent through adoption of a general investment plan ordinance.

NOW, THEREFORE, BE IT ORDAINED, by the Tribal Council of the Pueblo of Laguna, that there is hereby created a Pueblo of Laguna Investment Ordinance which shall be governed as set forth below. [TEXT OF ORDINANCE]

Title IV, Chapter 2, Budget, A Budget Ordinance was enacted by Ordinance No. 100-97 in 1997, and later superceded by the adoption of a Budget, Finance and Appropriations Policy, Resolution No. 65-04. The policy is included in Appendix E. [TEXT OF ORDINANCE]

Title IV, Chapter 3, Per Capita Distribution of Funds of Minors, was enacted by Ordinance on April 18, 1972.

Ordinance reads as follows:

WHEREAS, Article IV, Section 1(f) of the Revised Constitution of the Pueblo of Laguna authorizes the Council to appropriate and to expend available Pueblo funds to effect per capita distribution payments to members of the Pueblo; and

WHEREAS, The Pueblo of Laguna Council did, on December 22, 1969, establish and create the Pueblo of Laguna Minors Trust to receive and invest that share of the 1969 Per Capita Distribution attributable to minors under the age of 16 years; and

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WHEREAS, The Pueblo of Laguna Council did, on December 15, 1971 declare that the share of the 1971 Per Capita Distribution attributable to minors under the age of 16 years be placed in trust with the said Pueblo of Laguna Minors Trust; and

WHEREAS, The Council has decided that it be the policy of the Pueblo of Laguna to place the share of all minors under the age of 16 years in and to future Per Capita Distributions with the said Pueblo of Laguna Minors Trust;

NOW THEREFORE, IT IS ORDAINED AND ENACTED AS FOLLOWS: [TEXT OF ORDINANCE]